

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Milton Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: November 4, 2019

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made, on average, on November 1 of each fiscal year. The schedule is effective in FY20 (since the amount under the prior schedule was maintained in FY20) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.25% and a revision to the mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

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**Milton Retirement System**  
**January 1, 2019 Actuarial Valuation**

Total cost increasing 6.0% until FY26 with a final amortization in FY27

<b>Fiscal Year</b>	<b>Normal Cost</b>	<b>Amort. UAL</b>	<b>Total Cost</b>	<b>Unfunded Act. Liab.</b>	<b>Total Cost % Increase</b>
2020	2,477,123	4,191,313	6,668,436	29,674,777	
2021	2,588,593	4,479,949	7,068,542	27,433,460	6.0%
2022	2,705,080	4,787,575	7,492,655	24,727,139	6.0%
2023	2,826,809	5,115,405	7,942,214	21,502,201	6.0%
2024	2,954,015	5,464,732	8,418,747	17,699,870	6.0%
2025	3,086,946	5,836,926	8,923,872	13,255,755	6.0%
2026	3,225,858	6,233,446	9,459,304	8,099,360	6.0%
2027	3,371,022	2,203,774	5,574,796	2,153,552	-41.1%
2028	3,522,718		3,522,718	0	-36.8%

All amounts assume payments will be made November 1 of each fiscal year.

Normal cost includes expenses of \$550,000 and is assumed to increase 4.5% each year.

FY20 appropriation maintained at the same level as the current schedule.